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THE ORGANIZATION OF THE BRITISH FUR TRADE, 1760-1800

Until the close of the eighteenth century, the history of the region drained by the great lakes and the upper Mississippi river was to a very large degree the history of the fur trade, and in some parts of the northwest, the industry continued well down into the nineteenth century. The story of this wilderness traffic constitutes a most fascinating chapter in American history, although as a matter of fact it has received little serious study. The trade which was carried on from the time of the explorer's earliest visits until the white settler finally occupied the Indians' hunting grounds was as varied in its nature as its history was long. All sorts and conditions of people have from time to time been interested in the traffic in furs: French *cour-eurs de bois* who entered the wilderness from Canada during the early days; Dutch settlers who lived upon the frontier of New York; Pennsylvania farmers dwelling upon the outskirts of that colony; as well as influential merchants who had their headquarters in Montreal, New York, Paris, and London. The character of the establishments for the conduct of the peltry trade ranged all the way from the isolated houses of the frontiersmen of Pennsylvania and New York in pre-revolutionary days, to the French West India company, the mighty Hudson's bay and North-west companies, and the organization founded by John Jacob Astor in the early part of the nineteenth century. French, British, and American traders in turn held sway over the region of the great lakes, not only directing its commerce, but controlling the destinies of its native inhabitants as well. The period of French ascendancy in the northwest fur trade began with the earliest exploration of the region and continued until the military conquest of Canada by the English, which was consummated in the year 1760. From the time of the overthrow of French dominion in North America, until the close of the war of 1812, British merchants maintained the ascendancy in the great lakes'

region, or the "upper country," as it was more commonly called. With the founding of the American fur company by John Jacob Astor in 1816, shortly after the close of the war of 1812, began the period of American influence in the trade of the northwest, or rather in that part of it which was carried on within the limits of the United States, and this influence continued until the industry itself finally disappeared before the onward march of the white settlers.

To one who studies the fur trade as it was conducted during the third or American phase of its history, traces of the preceding French and British periods are clearly discernible, for the industry was permanently affected by each of the various influences to which it was subjected from time to time. French influence continued even after 1760 in the persons of those who performed the menial labor incidental to the conduct of the trade, as well as of many small traders who dealt directly with the savages in the wilderness; British influence continued to make itself felt after 1815 in the business organization which was developed after the conquest of Canada. The *voyageurs* who navigated the canoes of the American fur company upon the lakes and rivers of the northwest were relics of the French régime, while Astor's company was itself the natural outgrowth of the business methods which had been developed by British merchants during the preceding period. The picturesque French-Canadian *coureurs de bois* and *voyageurs* have often been described, but comparatively little attention has been directed toward the less romantic but equally important activities of the British merchants who came to Canada after the conquest. It will be the purpose of the present paper to describe briefly the nature of the business organization which was developed by British merchants for the conduct of the fur trade and which was centered in Canada, in the city of Montreal.

In order to understand the character of the British trade during the latter part of the eighteenth century, however, some account of conditions under the French régime is first necessary, as well as a brief discussion of the changes wrought by the conquest of Canada. The period preceding 1760 witnessed an intense rivalry between the French and British for the control of the fur trade of the interior as well as for political ascendancy

over the Indian tribes dwelling in the region of the great lakes and in the Mississippi valley. At the outset, the geographical situation favored the French, who planted themselves upon the shores of the St. Lawrence river, which formed a natural gateway to the interior of the continent. The French government at first cherished the fond hope of founding a populous colony in Canada and an effort was made to prevent settlers from going into the wilderness of the upper country for the purpose of trading with the Indians. An annual fair was established at Montreal in the expectation that the tribes dwelling on the distant shores of the great lakes would bring thither their furs and peltries to sell, thus rendering it unnecessary for the Canadian settlers to enter the forest in search of them. This plan, though apparently feasible, failed when put into practice. Every summer large numbers of savages came down from the upper country to barter their furs at the fair at Montreal, but it was not long before traders began to station themselves on the river above the city, where they intercepted the Indians as the latter came down in canoes and obtained the choicest furs before their rivals lower down the stream had an opportunity to compete with them.¹

The Canadian traders were not content to confine their activities to the vicinity of Montreal and it was not long before the younger and more adventurous members of the population began to take to the woods in order to carry on the traffic in furs. Inasmuch as this practice was contrary to the policy of the government, an effort was made to prevent a general exodus of the most valuable element of the Canadian population by granting a limited number of licenses for carrying on the trade of the interior. This plan failed, however, to check the migration into the wilderness; and in spite of all the efforts of the government, there arose a class of forest rangers or *coureurs de bois*, who were destined to play an important part in the fur trade during the French régime as well as during the years which followed.² The *coureurs de bois* were bold and daring to a degree and they accommodated themselves readily to the wilderness life, coming

¹ Francis Parkman, *The old régime in Canada* (Frontenac ed. — Boston, 1905), 2: 102-104.

² *Ibid.*, 2: 104, 109-115.

to resemble in many respects the savages with whom they lived, and with whom, indeed, they often intermarried. In spite of the fact that the authorities endeavored to prevent the young men of Canada from migrating into the wilderness and adopted regulations from time to time for the purpose of restraining their actions, it was through the medium of this body of forest rangers that the French were able to acquire an ascendancy over the Indians of the great lakes' region and the Mississippi valley and to maintain it until after the conquest of Canada by the British.

The struggle between the French and English in North America which culminated in the seven years' war was really a struggle for the fur trade and for the control of the Indian tribes of the interior. During the closing years of the seventeenth century, the French, alarmed by the encroachments of the British, began to build stockaded forts at strategic points in the interior in order to preserve the peltry trade, as well as the friendship of the Indians, upon which the former so vitally depended.³ But nothing daunted, British traders from the seaboard colonies continued to push across the mountains into the hinterland which was claimed by the French, where they caused the latter a great deal of annoyance.⁴ In 1748, traders from Virginia and Pennsylvania established a post at Pickawillany, on the Big Miami river.⁵ This establishment threatened the trade which was dependent upon Detroit and continued to be a thorn in the side of the French until 1752, when a force of French and In-

³ Frederick J. Turner, "The character and influence of the Indian trade in Wisconsin," in Johns Hopkins university, *Studies in historical and political science* (Baltimore, 1891), 573.

⁴ De Noyan to the French minister, August 24, 1741, in State historical society of Wisconsin, *Collections* (Madison, 1906), 17: 358; Memoir of De Raymond to the French minister, November 2, 1747, *ibid.*, 474; Peter Wraxall, *Abridgment of the Indian affairs contained in four folio volumes, transacted in the colony of New York, from the year 1678 to the year 1751*, edited by Charles H. McIlwain (*Harvard historical studies*, vol. 21 — New York, 1915), xvi. In his introduction to Wraxall's *Abridgment of Indian affairs*, Mr. McIlwain makes a careful study of the early fur trade, devoting particular attention to the subject of the rivalry between the English and the French. This discussion constitutes the best study of the political aspects of the peltry trade which has yet appeared.

⁵ Justin Winsor, *The Mississippi basin, the struggle in America between England and France, 1697-1763* (Boston and New York, 1898), 249.

dians reduced the post and seized the English traders who were stationed there.⁶

A still more serious menace to the French peltry trade was the commerce which the English carried on with the Indians by way of Albany and the Mohawk river. Very few New York traders penetrated the interior, it is true, but they dealt with the remote tribes of the upper country through the Iroquois, who controlled the route from the Hudson river to the lakes and played the rôle of middlemen between the English and the Indians of the interior. Notwithstanding the readiness with which the French traders accommodated themselves to Indian manners and customs, the British possessed one very marked advantage over their rivals, for with the exception of powder, their goods were very much cheaper than those which were imported from France. It was this fact which enabled the Iroquois to carry on a trade which was advantageous to all parties concerned with the exception of the French.⁷ Indeed, so much more reasonable in price were the British goods, that French merchants opened up an illicit trade with the colony of New York, which all efforts on the part of the British authorities failed wholly to suppress; and for many years French traders purchased British goods which they carried to Canada and bartered with the Indians, still reaping a larger profit than if they had used merchandise of their own manufacture.⁸ Thus it was that in spite of many handicaps, the British were able to challenge the commercial supremacy of their rivals in the interior of the continent, long before the military power of the French was broken.

Furthermore, the manner in which the Canadian peltry trade was conducted is of great importance in this connection. The posts of the interior were exploited in different ways.⁹ There

⁶ Duquesne to the French minister, October 25, 1752, in Wisconsin historical society *Collections*, 18: 128; Wrazall, *Abridgement of Indian affairs*, xvii.

⁷ *Ibid.*, xl-xlv. See also the document itself, *passim*.

⁸ *Ibid.*, lxiv-lxxxi; Sir William Johnson, "Review of the trade and affairs of the Indians in the northern district of America," in *Documents relative to the colonial history of the state of New York* (Albany, 1856), 7: 954.

⁹ See Gage's report entitled "A list and account of the posts where the trade with the savages was carried on in the upper country, March 20th, 1762," accompanying his letter to Amherst, of the same date, in *Collections and researches made by the Michigan pioneer and historical society* (Lansing, 1892), 19: 21; also, Bougainville's *Memoir*, written in 1757, in Wisconsin historical society *Collections*, 18: 167.

were first of all the free posts, at which the trade might be carried on by any one who obtained a license for the purpose from the proper authorities. The free posts included Detroit, Michillimackinac, Ouiatanon, on the Wabash river, and an establishment upon the Miami.¹⁰ Secondly, there were the king's posts, including Toronto, Cataraqui, Niagara, Presqu' Isle, and Fort Duquesne, besides others of less importance. At these places the trade was carried on in behalf of the king, from whose magazines the merchandise used was supplied; but all accounts agree that it was unprofitable by reason of the manner in which it was conducted. Bougainville says in his *Memoir*, compiled in 1757, "The traffic at these posts is very burdensome for the king, who always loses, and it is carried on only in order to preserve the good-will of the savages; but the storekeepers and commandants take care to enrich themselves."¹¹ Finally, a certain number of posts were leased to individuals, who enjoyed exclusive rights to the trade within their respective limits. Among the leased posts were Temiscaminque, Sault Ste. Marie, Kaministiquia, Chequamegon, La Baye, and St. Joseph's. The rents charged for the exclusive rights to the trade of these posts ranged from 3,000 to 25,000 livres a year.

Under the French system, competition prevailed only at a comparatively small number of posts, the trade of the remainder being monopolized either by the crown or by a small number of lessees. Certain among the French themselves recognized the inherent defect in this system of monopolies and they urged that as the leases of the various posts expired, the license system should be substituted, in order that free competition might prevail as at the posts of Michillimackinac and Detroit. La Galissonière, at one time governor of Canada, pointed out in 1748 that many merchants, owing to the high prices which they had paid for their leases, were obliged to charge excessive rates for the articles which they sold the Indians, and could import only small quantities of goods to the interior, adding that "They thereby reduced the savages to despair and compelled them to go to Chouaguen for goods which the English *could not sell at the*

¹⁰ Gage included Ouiatanon and the establishment upon the Miami among the free posts, while Bougainville says that the trade at those places was leased to the commandant.

¹¹ Wisconsin historical society, *Collections*, 18: 192.

same price as ours, had not the exclusive right to trade and the price of the leases increased ours.”¹² The effect of King George’s war had been to increase the price of goods enormously and as a result of these combined circumstances, the Indians complained loudly of the high rates charged them by French traders. After carefully considering the situation, La Galissonnière decided that it would be better to increase the number of free posts, in order that competition might be substituted for monopoly and in order that the price of goods might be lowered so as to bring back the savages “who are all going to give themselves to the English, unless we employ every means to keep them.”¹³ Bougainville repeated the same idea in his memoir, when, in describing the trade at Niagara, one of the king’s posts, he said, “It would be well to make trade free, the competition between the merchants resorting there would render merchandise less dear.” He added that if the price of goods was not lowered sooner or later, the Indians would carry their peltry to Orange [Albany]. Another feature of the French system for the exploitation of the fur trade was the monopoly of the privilege of exporting beaver skins, which was granted to the West India company in 1721.¹⁴

It will be evident from what has been said that at the beginning of the seven years’ war, the French traders were on the defensive, owing to the fact that English goods were cheaper than their own, and because the system whereby the peltry trade of Canada was exploited permitted monopolies and destroyed the

¹² La Galissonnière to the French minister, October 23, 1748, in Wisconsin historical society, *Collections*, 17: 503.

¹³ La Galissonnière to the French minister, October 23, 1748, in Wisconsin historical society, *Collections*, 17: 504. The governor proposed, however, to make an exception of certain posts where the savages had not complained of the conduct of the lessees, and in the case of those which were situated more remotely from the English.

¹⁴ Bougainville’s Memoir in Pierre Margry, *Relations et mémoires inédits pour servir à l’histoire de la France dans les pays d’outre mer tirés des archives du ministère de la marine et des colonies* (Paris, 1867), 64; Parkman, *The old régime in Canada*, 2: 108, 109. It was provided that the government should from time to time determine, in accordance with the conditions of the market, the quantity of beaver which the company should be obliged to receive from the traders for the purpose of exportation. Nevertheless, such a system for the exploitation of the fur industry was not in accordance with sound economic principles, and should be contrasted with the business methods of the British, which will be described later.

competition which appeared to be necessary in order to retain the allegiance of the Indians. Still another factor which should be mentioned is to be found in the native vigor and enterprise of the British, who were continually pressing onward across the Alleghanies and carrying on a trade from the post of Oswego which threatened French commercial ascendancy in a vital spot.¹⁵ The British traders were pressing hard upon the French and the correspondence of the Canadian authorities is filled with expressions which reveal their apprehension concerning the activities of their rivals. The only thing which held the British traders in check was the military barrier which France was able to maintain by means of the chain of posts stretching from Canada down into the Mississippi valley.

It was not in the wilderness, however, but rather in the heart of Canada that the cause of the French traders was lost. The reduction of Quebec in 1759 and the capitulation of Montreal in 1760 delivered the whole of the upper country and the Mississippi valley into the hands of the British, along with the peltry trade for which both sides had been contending for so many years. As soon as the British obtained military possession of Canada, the system of leased posts was abolished and all incumbrances to the fur traffic were removed, the traders, within certain limits, being allowed to go where they chose.¹⁶ General

¹⁵ The post of Oswego had been founded by the colony of New York in 1722.

¹⁶ Gage to Amherst, March 20, 1762 in *Michigan pioneer and historical collections*, 19: 17. Gage's statement that "all Incumbrances upon Trade were removed" requires some qualification. Certain posts upon the Saguenay river, usually referred to as the "king's posts," were leased in after years, as they had been during the French régime; and in 1802, McTavish, Frobisher, and company purchased the lease of these posts on behalf of the North-west company. The trade in that quarter was relatively unimportant, however, as compared with that of the upper country. Alexander Henry says that in 1765 "the exclusive trade of particular districts was capable of being enjoyed, in virtue of grants from military commanders." *Travels and adventures in Canada and the Indian territories between the years 1760 and 1776* (Bain ed. — Boston, 1901), 183, 184. This system was only temporary however, and there is no evidence that it was even sanctioned by the British ministry, and as a general thing, the provisions of the proclamation of 1763 providing for a free and open trade was adhered to. It is also true that during the years immediately following the conquest, traders were not allowed to roam at will in the interior but were obliged to confine their activities to certain designated posts. See the lords of trade "Plan for the future management of Indian affairs," dated July 10, 1764,

Gage, who was in command of the forces in Canada, disapproved of the manner in which the French had exploited the posts, believing that the system of leases should be permanently abolished, since the absence of competition forced the Indians to pay higher prices for their goods; while he was of the opinion that the French system of monopolies must have greatly injured the trade in general.¹⁷ The proclamation of October 7, 1763, contained a provision which formally sanctioned the change in the method of conducting the fur trade which had been temporarily established upon the reduction of Canada.¹⁸ The proclamation declared that the Indian trade should be free and open to all of his majesty's subjects, provided that any person who desired to participate in it should first obtain a license from the governor or commander-in-chief of the colony wherein he resided, and give security for the observance of such rules as might be established for the regulation of the industry. The importance of this new enactment can scarcely be over-emphasized; it meant that henceforth the old system of monopolies was to be abolished and that competition should prevail, in so far as the government had a voice in the matter.

The reduction of Canada also meant the overthrow of the entire business organization which had been built up by French merchants in the days of the old régime. Henceforth, goods destined for use in the Indian trade would be imported from England, while the peltries for which they were exchanged would find their way to London instead of to Paris; all this was in accord with the mercantile theory of the time, which regarded colonies as producers of raw materials and as consumers of goods manufactured in the mother country. The commerce of the French merchants was automatically ruined by the conquest of Canada, while the advantage passed to their competitors, who were entering the country even before the signing of the treaty of Paris. There were left in the Indian country, however, a great many *engagés* and small French traders, who must either

in Clarence W. Alvord and Clarence E. Carter, *The critical period, 1763-1765* (*Illinois historical collections*, vol. 10 — Springfield, 1915), 274, 279.

¹⁷ Gage to Amherst, March 20, 1762, *Michigan pioneer and historical collections*, 19: 17.

¹⁸ Alvord and Carter, *Critical period*, 44.

accommodate themselves to the new order of things or seek new fields of endeavor. The easy-going disposition of the French-Canadian led him to choose the former alternative, and the result was that when the British merchant entered the country, he found ready to hand a large class of persons, skilled in the more or less technical processes of the trade, who formed a substructure upon which might be reared a stable business organization. The system of posts erected in the interior by the French was also at the disposal of the British when they arrived, and formed convenient centers of trade.

With the capture of Quebec and the capitulation of Montreal, the political and military barrier which had hitherto restrained the rivals of the French was broken down and a wave of British traders swept into the Indian country. Their activities were temporarily checked, however, by the outbreak in 1763 of the Indian war known as the conspiracy of Pontiac. British traders at Michillimackinac and smaller posts scattered throughout the interior were plundered and murdered, as well as many who were on their way to the Indian country.¹⁹ The uprising was suppressed in the following year, however, and there was at once a second rush of traders into the region which had formerly been occupied by the French. The remaining years of the eighteenth century witnessed the most vigorous exploitation of the fur trade that had yet been seen, in spite of the fact that the revolutionary war broke out a decade later. The principal effect of the war was in reality, to throw the commerce of the entire northwest into the hands of the British traders operating from Canada, since the Americans were unable to break the line of communication extending westward along the great lakes.²⁰ American traders were in fact excluded from the northwest until after the surrender of the military posts on the frontier in 1796, and as a result, British merchants had a free field for the development of

¹⁹ Johnson's report, 1767, in *New York colonial documents*, 7: 962, 963; Parkman, *Conspiracy of Pontiac and the Indian war after the conquest of Canada* (Frontenac ed., 2 vols. — Boston, 1905). For a vivid account of the Indian uprising at Michillimackinac, see Henry, *Travels*, 77-104.

²⁰ The Haldimand papers, transcripts of which are to be found in the Canadian archives, series B, throw a great deal of light on the fur trade of the upper country during the period of the revolution.

their commerce during the last quarter of the nineteenth century.

Very little is known concerning the early history of the merchants who came to Canada after 1760, and their rise to wealth and power can be traced only through such glimpses of their business activities as it is possible to obtain. Their vigor and industry, however, are amply attested by the rapid growth of the fur industry during the period of British rule in the northwest. Establishing their headquarters at the city of Montreal, they extended their operations southwestward into the Illinois country, and westward into the wilderness beyond the Mississippi river; while their representatives penetrated far into the country beyond lake Superior, establishing posts in regions unknown to the French. From out this vast range of territory were annually carried hundreds of thousands of furs of many varieties, including those of the beaver, marten, otter, mink, muskrat, raccoon, and cat, along with the skins of the deer and the bear. Estimates as to the value of the furs annually exported from Canada to the London market during the period of the revolution and the following decade vary somewhat, but it is probable that the annual returns did not fall far short of £200,000 sterling.²¹

The merchandise for which the Indian exchanged his peltries included articles of a great many different sorts. Rum was an indispensable part of every trader's outfit, without which he would never think of entering Indian country, while guns, or fusils, as they were commonly called, along with powder and shot, were important articles of trade since they furnished the savage with the means for carrying on his hunt. The "dry goods" which usually formed a part of the equipment included a great variety of manufactured articles, such as blankets, strouds,²²

²¹ This is probably not far from the correct figure for the decade between 1780 and 1790. One estimate, made in 1790, gives the average annual value of the returns for the ten years preceding as £200,000, while another, based upon the returns for the five years preceding 1789, places the value of the annual imports of peltry from Canada at the same figure. See statement concerning the Canadian fur trade, "Communicated by Mr. Inglis of Mark Lane," in *Michigan pioneer and historical collections*, 24: 686; "Importation of skins from Canada 1788 and sold in January, February and March 1789," in Canadian archives, series Q, 43-2: 826.

²² "Strouds, probably the most important article in a trader's outfit, were a kind

cotton cloth, kettles, knives, and tools of many sorts, as well as trinkets of all kinds, looking glasses, beads, arm bands, and the like.²³ All the dry goods as well as the guns and ammunition used in the Canada trade were of British manufacture. The quantity of goods used in the trade from year to year shows more variation than the returns in furs. A fair estimate of the value of the merchandise employed is to be obtained from the returns of Indian trade licenses issued in the province of Quebec between the years 1777 and 1790. The returns vary all the way from £41,355 currency in 1779, to £226,922 in 1783.²⁴

During the years when the British monopolized the northwest fur trade there was thus a continuous interchange of commodities involving goods and furs to the value of thousands of pounds. Manufactured articles were being constantly transported from Great Britain to the innermost depths of the American forests, over distances aggregating thousands of miles, while the peltries for which they were exchanged were carried back over the same routes to London, the great fur market of the world. The romantic contact between the wilderness trader and the Indian has generally furnished the principal theme for those who have undertaken to narrate the story of the traffic in furs; and the popular conception of the fur trader is that of a man in buckskin shirt and raccoon cap, dispensing fire water and trinkets to gullible savages, and receiving in return furs worth ten times the goods offered in exchange. There is a tendency to forget that the barter which took place in the Indian country was only one incident in a long series of transactions which were necessary

of coarse woolen cloth, so called from Stroud in England, where it was manufactured.' ' Wraxall, *Abridgment of Indian affairs*, XLII, note 1.

²³ Wisconsin historical society, *Collections*, 19: 216-233. The accounts and inventories contained in these pages indicate the sort of goods which were employed in the Indian trade.

²⁴ These returns of Indian trade licenses issued in the province of Quebec are found in the Canadian archives, and cover the period from 1777 to 1790, inclusive, with the exception of the years 1780 and 1784, for which they appear to be missing. The returns, which are in tabular form, include the names of the various merchants to whom licenses were issued, the names of their securities, the destination to which the goods were to be sent, the number of canoes, bateaux, and *engagés* included in the outfit, the quantity of liquor, guns, and ammunition carried, together with the estimated value of the whole cargo. This data constitutes an exceedingly valuable source for the study of the British fur trade during the period in question.

before the furs which the Indian gathered at his hunting grounds could be placed upon the world's market. Putting the matter briefly, the question arises as to how the wilderness trader obtained the goods which he carried to the Indians, and how he disposed of the furs which he received in exchange.

In the early days of the British period, traders frequently obtained their outfits in person at Montreal, or in New York; carried them to some post in the interior; bartered them with the Indians, assisted by a few clerks and interpreters; and carried the furs obtained back to market. Thus Alexander Henry in 1761 purchased an assortment of goods at Albany and at Montreal, personally supervised their transportation to Michillimackinac, and himself carried a portion of them into the interior, to be traded to the Indians. But for one man to obtain his goods in person and carry them to the interior involved the loss of a great deal of time and rendered it impossible for the trader to spend each winter in the Indian country. Describing his operations during these early years, Henry makes a significant statement. He says that in 1765 he began to prosecute the Indian trade anew, and that he purchased an outfit consisting of four canoe loads of goods, at twelve months' credit, at the post of Michillimackinac.²⁵ This little incident reveals how there was being developed a complex mechanism of distribution, based upon a division of labor, the function of which was to effect the interchange of peltry and merchandise which has been described.

As a matter of fact, the group of men represented by the trader in the buckskin shirt and raccoon cap formed only one of a number of classes of persons who were interested in the peltry trade. Regarded collectively, the various groups constituted a business organization which extended from the city of London to the most remote depths of the North American wilderness. At the top of this vast industrial system were the great London firms, as, for example, those of Robert Hunter; Watson and Rashleigh; Dyer, Allan and company; Brickwood, Pattle and company; and Phyn, Ellice, and Inglis.²⁶ An enumeration of

²⁵ Henry, *Travels*, 183, 184.

²⁶ The names of the London merchants engaged in the fur trade may be obtained from business correspondence and also from memorials drawn up from time to time and submitted to the ministry; as for example, those addressed to Lord Shelburne in 1783, to be found in the Lansdowne manuscript, 72: 455-458; 459-462.

the London houses interested in the northwest fur trade would include the names of many of the great merchants of the United Kingdom, men who did not hesitate to apply to his majesty's ministers in their own interests or those of their correspondents on the other side of the water.

Next in order came the great mercantile houses of Montreal, firms often referred to collectively as the "merchants of Montreal," whose business formed the backbone of Canadian commerce. A complete list of the firms with business headquarters at Montreal would include the names of men famous in the history of the great lakes' region, such as Isaac Todd and James McGill, of the firm of Todd and McGill; Benjamin and Joseph Frobisher; David McCrae; Alexander Henry; William Grant; Simon McTavish; William Kay; and a score of others.²⁷ Many of the great fur barons of Montreal were Scotchmen, who had come to Canada soon after the conquest and supplanted the French merchants who had hitherto reaped the benefits of the peltry trade of the great lakes and upper Mississippi. While the origin of these Scotch merchants is obscure, their steady rise to wealth and power may be readily traced in the industry which underwent such a marvelous development at their hands.

A step further down in this commercial hierarchy were the merchants who were located at Michillimackinac and Detroit and supplied outfits to those who traded at the various dependencies of these posts scattered throughout the interior. These merchants were men of lesser means, usually, than the members of the Montreal firms, though it is impossible to draw an absolutely clear line of demarkation between the two groups. It is very probable that certain of the Montreal concerns supplied outfits directly to the small traders, who went among the Indians, through representatives at the upper posts; still there were numerous merchants who made their headquarters at Michillimackinac and Detroit and acted as middlemen between the Montreal firms and the petty traders dwelling in the interior. A

²⁷ Most of the names given above are selected from a number which appear in a list appended to a memorial addressed to Sir John Johnson, dated April 4, 1786. *Michigan pioneer and historical collections*, 11: 484. It is very probable that the returns of Indian trade licenses in the Canadian archives include the names of practically all of the merchants of Montreal who were engaged in the fur trade between 1777 and 1790.

great many of the traders established at these two posts were French who had simply remained in their places after the conquest and accommodated themselves to the new commercial system which was inaugurated by the British.²⁸

Still a fourth group may be distinguished, made up of traders who spent the greater part of each year in the Indian country, dealing with the savages at the dependencies of Detroit and Michillimackinac. Probably the greater number of these small traders scattered throughout the interior were French-Canadians who had gone out into the wilderness as traders and *engagés* during the French régime and remained after the coming of the British.²⁹ There were in addition, however, numerous petty traders of English, Scotch, and Irish descent, some of whom had entered the forest from love of adventure, while others had been obliged to leave their homes for other and more urgent reasons.³⁰ Here again, however, it is impossible to distinguish sharply between the merchants having their headquarters at the upper posts and the traders who wintered in the Indian country, as many of those who had establishments at Michillimackinac or Detroit and imported goods directly from Montreal, went in person to the interior to spend the winter and bargain with the Indians.

Though it is possible to enumerate roughly four classes of fur traders, as has been attempted above, only in the case of the London merchants is it possible to say with accuracy that any trader belonged to a distinct class. The large companies at Montreal, the merchants stationed at the upper posts, and the trad-

²⁸ See "List of the proprietors of the general store at Michillimackinac, the number of canoes each person has put in, their supposed value, and the present residence of each proprietor," in *Michigan pioneer and historical collections*, 9: 658. From the names which are included in this list, it would appear that at least three fourths of the merchants belonging to the "general store" were of French extraction.

²⁹ General Gage said at the time of the conquest that there were some hundreds of these French among the distant Indians, who he never supposed would return to their original homes in lower Canada. Gage to Amherst, March 20, 1762, *Michigan pioneer and historical collections*, 19: 17. In a list of passes granted by Lieutenant Governor Hamilton of Detroit between July 2 and August 15, 1777, are given the names of twenty-four traders operating in the region dependent upon that post, twenty of whom appear to have been French. Canadian archives, series S, Indian affairs.

³⁰ Hamilton to Dartmouth, August 29 to September 2, 1776, in *Michigan pioneer and historical collections*, 10: 267.

ers who actually went into the Indian country did not form three separate and distinct classes but rather blended into one another.³¹ At the same time, while not strictly accurate, a classification such as the one attempted is convenient to bear in mind when considering the relationships between the various groups of persons engaged in the fur trade. Such a classification also serves to emphasize the fact that the term "fur trader" is capable of being used in more than one sense; for there was a wide gulf, socially and commercially, between the great London merchant who did not hesitate to communicate his wishes to the king's representatives, or the merchant at Montreal who spent his days in a counting house, and the petty trader who roamed the interior, living more like a savage than a white man.

Taking up for consideration the manner in which these different groups of merchants and traders coöperated, it will be convenient to begin by describing the business relationship which subsisted between the small trader living in the remote interior and the merchant who made his headquarters at Michillimackinac or Detroit.³² These two posts, which have been so frequently mentioned, formed the general rendezvous of those who ranged over the vast region drained by the great lakes and the upper Mississippi. Thither each summer came the traders from their respective wintering grounds to dispose of their furs and secure new outfits. A trader coming in from the Illinois country to Michillimackinac, it will be assumed, went to the merchant at that post with whom he was in the habit of dealing, and presented a memorandum of certain articles which he desired for his trade the following winter. If the merchant considered his credit good, he made up an outfit of the goods desired and turned it over to his customer at a certain price, with the understanding that the latter should settle for it when he brought in his returns the following season. When the trader came in from his wintering ground in the following spring with the peltry he had succeeded in obtaining from the Indians, he might either sell his

³¹ It is also extremely probable that there were occasional shiftings from one group to another.

³² In the description of the business organization of the fur trade which follows, it will be assumed for the sake of convenience that there are in existence the four groups which have been mentioned.

returns in the open market at Michillimackinac and then settle with his outfitter, or he might turn them over to the latter at the market price, the proceeds to be applied on his account. Still another alternative was open to him, for, instead of disposing of his furs at Michillimackinac, he might consign them to Montreal or even to London, at his own risk, in order to obtain the advantage of the higher prices which they might be expected to bring in those markets. In case he decided to send his returns down from the upper country for sale, his outfitter very probably acted as his agent in the transaction. But no matter how the returns in furs were disposed of, the small trader almost invariably obtained each season's outfit on credit. The relationship which has just been described was not always characteristic of the trade carried on in the upper country, for many of the outfitters at Michillimackinac and Detroit traded to the interior on their own account through the medium of hired clerks, who had no interest in the goods which they carried out to exchange for furs.

The connection between the Montreal firm and the merchant at Detroit or Michillimackinac was rather similar to that which existed between the latter and the trader in the Indian country, which has just been described. The goods which were imported into the upper country were obtained through the medium of the great Montreal houses, who imported them from England on commission, and supplied them to the merchant at the upper post at a certain "advance" on the sterling cost.³³ There were certain articles of merchandise, however, known as "cash goods," such as rum, for example, for which the Montreal outfitter was obliged to pay ready money; and he charged the merchant interest on all goods of this sort which were furnished on credit.³⁴ The outfits which were consigned to the merchants in the upper country were forwarded by the Montreal firm at the

³³ William Robertson of Detroit, in describing the manner in which the merchants at that place obtained their goods, said, "They send their orders to an Agent at Montreal, who imports them under their marks and on their account and risk on Commission." Minutes of proceedings of committee of council, October 24, 1788 in *Michigan pioneer and historical collections*, 11: 631. Some merchants, however, instead of ordering their goods from England, might obtain them from a stock already on hand at Montreal, but on the same terms.

³⁴ See "articles of agreement between Richard Dobie and James Grant, merchants of Montreal," in notarial records, archives of Montreal, Beek, 1787, no. 254.

expense of the buyer, who was obliged to assume the risk attendant upon their transportation. The agent at Montreal superintended the business of making up the outfits, however, a task which involved the supervision of a good many details of one sort and another.³⁵ First of all, canoes or bateaux must be secured for the transportation of the merchandise and men must be found to navigate them. These *engagés*, as they were called, were usually obtained at Montreal, or in the little parishes in that vicinity, and when a man was hired, it was necessary to enter into a contract, or *engagement*, with him before a notary public; this matter was attended to by the correspondent at Montreal. Moreover, provisions for the voyage had to be secured and certain articles advanced to the *engagé* for his personal use, the amount being charged against his wages. During the period before 1790, it was necessary to secure a license before any goods might be sent into the Indian country. A series of rapids rendered the St. Lawrence river just above Montreal unnavigable, so the goods had to be carried in carts to Lachine, whence the brigades were accustomed to depart for the upper posts. All these details were attended to by the Montreal concern and the expense involved was charged to the account of the customer at Detroit or Michillimackinac. In addition to the services which have been enumerated, the firm at Montreal acted in the capacity of banker for its customers. Thus, if a merchant at Michillimackinac desired to pay the wages of his *engagés*, or meet any other obligation in fact, he might draw upon his agent at Montreal in favor of the person to whom he was making the remittance and thus the conduct of his business was greatly facilitated.³⁶

³⁵ In the manuscript collection of the Toronto public library, B75:170-241, are a number of accounts between David McCrae and company and William Kay of dates ranging from 1778 to 1782. The firm of David McCrae and company had its headquarters at Michillimackinac, being a partner in the general store established at that post in 1779, while William Kay belonged to a Montreal firm. These accounts throw a great deal of light upon the business methods of the fur trade and are the source from which many of the details in the following description have been derived.

³⁶ See, for example, Reeves to Grant, Campion and company, August 31, 1794, in the Baby collection, at the Bibliothèque St. Sulpice, Montreal. The manuscripts in the Baby collection contain a mass of correspondence and miscellaneous documents relating to the fur trade carried on from Michillimackinac, which constitutes an extremely valuable source for one studying the economic aspects of the industry.

Besides supplying goods to the merchants in the upper country, the Montreal firm also acted as agent for the returns in peltry which were sent down from time to time, either in sailing vessels by way of the lakes or by canoe down the Ottawa or Grand river. The merchant usually consigned the peltry he had on hand to his agent, who was instructed either to sell it as advantageously as possible in the market at Montreal, or to ship it to England to be sold in the London market. In the latter case, the merchant in the upper country relied upon his correspondent to see that the furs were properly packed and shipped abroad, the latter in turn consigning them to his London correspondent, who assumed responsibility for placing them upon the market. Whichever method was followed, the merchant at Montreal simply acted in the capacity of agent for his customer and the furs remained the property of the latter until they were actually sold.³⁷ Furs, it should be said, were always a saleable commodity, and merchants both at the upper posts and at Montreal frequently speculated in them, in the hope of being able to dispose of them at a profit.

The terms of an agreement formed between a concern in the upper country and a Montreal firm will serve as a concrete illustration of the relationship which has just been described in a more general way.³⁸ At the time of the revolution, David McCrae, John Kay, Peter Barthe, and Charles Gratiot were associated in a joint concern having headquarters at Michillimackinac, and operating under the name of David McCrae and company, their Montreal correspondent being the firm of William and John Kay. On April 6, 1778, David McCrae and company entered into a contract with the Montreal house, by which the latter agreed, for the space of three years, to furnish them with such merchandise as they might require for carrying on their

³⁷ Reeves to Grant, Campion, and company, July 9, 1794, Baby collection; "Account Sales of Furrs, &c., received p the Betsy Captn William Boyd from Montreal & sold by order of Messrs. William and John Kay for Account of David McCrae & Co. — London 6 May 1779 p Robert Hunter." Toronto public library, manuscript collection, B75: 240; examination of William Robertson, October 25, 1788, *Michigan pioneer and historical collections*, 11: 631.

³⁸ Agreement for the Indian trade between David McCrae and company of Michilimackinac and William and John Kay of Montreal, April 6, 1778. Toronto public library, manuscript collection, B. 75: 168.

trade; to make up the outfits and send them off each year; to advance the money necessary to engage men, and purchase provisions and canoes; and in short, to transact all the business incidental to their trade at Montreal. David McCrae and company agreed to pay for the goods furnished them at the rate of fifty per cent Halifax advance on their sterling cost, and in case William and John Kay were obliged to supply any "cash goods," the Michillimackinac house was to pay for them, together with interest from the time of purchase at the rate of six per cent. Interest was likewise to be paid on all cash advanced for the wages of *engagés*, and for the purchase of provisions, canoes, etc. David McCrae and company agreed to furnish their correspondents with a memorandum of such goods as they might require in September of each year, when the merchandise should be set aside for their account, to be delivered the following season. They also agreed, on their part, to consign the whole of their returns in furs to William and John Kay. The value of the peltry was to be estimated by James McGill and John Porteous, of Montreal, and William and John Kay had the option of taking it at the appraised value, or of disposing of it to whoever would give that amount, or more. Taking into account the distances involved in the conduct of the fur trade and the difficulty of communication, the advantages of such an arrangement are obvious. The agreement served as a guarantee to David McCrae and company that they would be supplied each season with the goods necessary for their trade, and also as an assurance that their interests at Montreal would be properly cared for, thus enabling them to devote their entire attention to their affairs at Michillimackinac and its dependencies.

A series of letters written during the year 1794 by John Reeves, a merchant at Michillimackinac, to the Montreal firm of Grant, Campion, and company, serves to throw a number of interesting side lights on the trade of the upper country and a brief summary of the contents will perhaps illustrate further the statements made in the more or less general description which has been attempted.³⁹ Although no correspondence of the Montreal firm is available, it is possible by means of that of Reeves alone

³⁹ These letters are contained in the Baby collection, which has already been mentioned.

to form a rather clear conception of the nature of the business relations subsisting between himself and his agents. Reeves had his headquarters at Michillimackinac, where he made up outfits which he supplied to the traders going out into the Indian country each fall, and received the returns which were carried back in the spring. Grant, Campion, and company acted as his agents at Montreal, forwarding the goods which he needed in his trade and caring for the furs which he consigned to them for sale.

In his first letter, which is dated June 17, 1794, Reeves has little news of interest for his correspondents. None of the traders have come in from the wintering ground as yet; but he fears lest those who have been in the lake Superior country and the Mississippi have not done very well, and that some have not even made sufficient returns to pay their *engagés*. There is still no news from the Indian country four days later, when he writes to inform his correspondents that he is drawing on them for the wages of two of his men who are in Montreal. By July 6, however, the traders are beginning to come in with their returns and his forebodings are justified, for Papin and Roy, two traders whom he has supplied with goods, have brought in few furs, so much the worse for Reeves himself and those to whom he is indebted. Three days later, on July 9, he sends his first consignment of furs, consisting of twenty-nine packs, down to Montreal by way of the Grand river, the canoe being in charge of his French-Canadian guide Brée. The shipment is directed to Grant, Campion, and company, whom he authorizes to sell the furs as advantageously as possible, and he also asks for information concerning the state of the market, in order that he may govern his business dealings at Michillimackinac accordingly. The furs which Reeves is sending down are some he has purchased from Roy and Benito, who are just in from the wintering ground, and he has been obliged to pay rather dearly for them. Notwithstanding their price, the furs come to only a little over 9,665 livres while the amount which the traders originally owed him was 34,000 livres, but it is the best he has been able to do. He is also sending down a remittance of 8,728 livres which he desires placed to his credit, in the form of a draft given by a Mr. Todd, to whom Papin, the trader mentioned in a previous letter,

sold his furs.⁴⁰ He has heard no news as yet from Tabeau, another of his customers, and rather dreads his arrival, fearing he may have done no better than those who have already come in. On August 19, Reeves makes another remittance to Grant, Campion, and company; and while it is about all they may expect from him this year, he hopes that he may be able to settle his account in full the following season. There is still no news of Tabeau and a good many are of the opinion that he will not come in to the post at all, but Reeves himself has not given up all hope. He has decided that his furs may as well be sold in Montreal as they are too few to make it worth while to ship them to London on his account. Also, can Grant, Campion, and company supply an outfit of two canoes next spring, which two traders resorting to the post have asked him to furnish? While their credit is good, he does not desire to enter into any definite agreement with them until he shall hear from Montreal. By August 31, the long-awaited Tabeau has at last come in, and Reeves has been obliged to buy his furs, fearing that otherwise they might be sold to some one else, in which case he might get nothing for himself. The peltry purchased from Tabeau, together with a few beaver which he has picked up at a low price, is being made up into packs which will be sent down to Montreal, this time by way of the lakes instead of the Grand river. The debts which Papin and Tabeau still owe him are giving him considerable anxiety as he fears that they will not be discharged for a long time. They owe Reeves himself 28,715 livres while they are indebted to their other creditors to the amount of at least 36,000 livres. The details contained in this correspondence are in themselves of little importance, but collectively, they throw considerable light upon certain business aspects of the fur trade, illustrating as they do the character of the relationship between the Michillimackinac merchant and the Montreal concern, while

⁴⁰ This transaction illustrates the principle of *dernier équipement*, or "Privilege of last Outfitter & Canoe-men." Because of the very considerable risk which the merchant was obliged to assume when he advanced goods to a trader, there grew up a "Law of custom" which gave the merchant a lien on the returns which the customer was able to acquire, after the wages of the canoe men had been paid. *Michigan pioneer and historical collections*, 11: 475. Thus when the trader Papin sold his furs to Todd, the latter gave a draft which was placed to the account of Reeves, who had furnished a part of Papin's outfit.

at the same time they reveal some of the troubles and anxieties which harassed those who were engaged in the industry. The life of the fur trader was by no means all romance.

Just as the Montreal concern acted as agent for the merchants and traders in the upper country, so the London merchant performed a similar service for his correspondents in Montreal. Besides supplying his customers with goods, he superintended the marketing of the furs which were exported from Canada, seeing that they were properly unloaded and stored away in warehouses and later preparing them for the annual fur sales. The expense items which the London merchant charged in his "account of sales" were for unpacking, trimming, beating, sorting, lotting, telling, and so forth. In brief, the London firm transacted all the business incidental to the marketing of the furs, for which service a commission was charged on the proceeds of the sale as well as interest on sums of money which it was necessary to advance from time to time.⁴¹

From the foregoing description, it is apparent that practically every step in the entire process known as the fur trade was based upon credit. The merchants of Montreal almost invariably obtained their supplies from the London firms on credit, making the goods up into outfits which they advanced to their customers at the upper posts.⁴² In the spring the small trader came in to Michillimackinac or Detroit from the Indian country with his peltry and set out again in the late summer or fall, with an outfit obtained from the merchant with whom he dealt, still on credit. The proceeds derived from the sale of the furs he carried in with him were almost invariably used to pay for the outfit which had been secured the preceding season and which had been consumed during the past winter in trading for the same peltry which he

⁴¹ Brickwood, Pattle and company's account "Sales of 3 Bales of Furrs I. G. R. received of the Indian Trader Captⁿ John Edwards from Montreal, by address of Messrs Grant, Campion & Co. Merchts. there on the proper Accot & Risque of Wm. Grant Esqr of three Rivers," London, April 20, 1793. Baby collection; "Account Sales of Furrs &c received p the Betsy Captⁿ William Boyd from Montreal & sold by order of Messrs William and John Kay for Account of David McCrae & Co—London, 6. May 1779, p Robert Hunter." Toronto public library, manuscript collection, B 75: 240.

⁴² Memorandum relative to the trade of the upper country, undated, in *Michigan pioneer and historical collections*, 10: 272.

carried in with him.⁴³ Considering the basis upon which the trade was conducted throughout its various stages, it is not difficult to understand how poor returns in furs, owing to war, unsuccessful hunting, or any other cause, would affect the whole industry. If the trader in the Indian country had poor success, it meant that not only his outfitter, but also the merchants of Montreal and London would be obliged to defer the settlement of their accounts. It is very common in the correspondence of the fur trade to find the firms at Montreal urging their customers at Michillimackinac and Detroit to make their payments as promptly as possible, in order that they themselves may be able to meet their obligations to their London agents.⁴⁴ In similar fashion, the letters of the merchants in the upper country frequently reveal anxiety concerning the returns which may be expected from their customers in the interior, upon which they are relying in order to make their remittances to Montreal. Even the forest trader likewise had his business difficulties, for a large part of his goods were advanced to the Indians on credit and he was obliged to depend upon the outcome of the season's hunt for his returns.⁴⁵

Inasmuch as the fur trade was conducted on a credit basis, it is apparent that at any given time, the merchants of Montreal and London had very considerable sums invested in the business in the form of goods advanced to the traders in the Indian country. This situation was also partly due to the fact that a considerable period of time must necessarily elapse before the exchange of merchandise for furs could be effected, anywhere from two to three years being ordinarily required to send goods from London to the Indian country, exchange them for peltry, and carry the returns back to the English market. The length of time required varied of course according to the distance which the goods and furs must be carried and upon the state of the trade in the Indian country.⁴⁶ The Canadian merchants, in their

⁴³ Correspondence of John Reeves with Grant, Campion, and company, Baby collection, *passim*.

⁴⁴ McGill to Askin, April 12, 1786 in Wisconsin historical society, *Collections*, 19: 261.

⁴⁵ The situation was complicated owing to the fact that most traders were in the habit of persuading the Indians to steal their credits.

⁴⁶ Alexander Mackenzie, *Voyages from Montreal through the continent of North*

report to the committee of council on commercial affairs and police in 1786 or 1787, stated that the balance owing from the Indian trade to the province of Quebec, and principally to the city of Montreal, was at least £300,000.⁴⁷ This situation explains why the Canadian and English merchants gave such close attention to political events which might be expected to affect the commerce of the province of Quebec and used every influence at their command in an effort to preserve a friendly disposition on the part of the Indians dwelling in the northwest.⁴⁸

Those who were engaged in the Indian trade naturally kept in as close touch as possible with the persons to whom they gave credit, since the uncertain nature of the trade and the numerous risks involved, made it desirable that they keep themselves well-informed concerning the prospects of those to whom they made advances. The merchants at Montreal were likewise very frank in expressing their opinions concerning the business activities of their customers. In 1786, when the Wabash country was in a state of ferment owing to difficulties between the Indians and the United States, Todd and McGill, of Montreal, advised John Askin, one of their Detroit customers, that the trade in that quarter had better be abandoned; or that at any rate, the giving of credits to the Indians had better be stopped. They expressed the belief that if their advice were followed, the net returns would not suffer materially.⁴⁹

It was likewise very essential that those who were engaged in the peltry trade should keep themselves informed with regard to the state of the market. This was a matter of much importance, for inasmuch as a large number of the peltries sent to England ultimately found their way to various European countries and

America to the frozen and pacific oceans in 1789 and 1793 with an account of the rise and state of the fur trade (2 vols., New York, 1902), 1: li; Louis H. R. Masson, *Les bourgeois de la compagnie du nord-ouest; recits de voyages, lettres et rapports inédits relatifs au nord-ouest Canadien* (2 vols., Quebec, 1889-1890), 1: 51, 52.

⁴⁷ Report of the merchants of Montreal by their committee to the honorable committee of council on commercial affairs and police, in *Michigan pioneer and historical collections*, 11: 473. This report was probably compiled some time between October, 1706 and June, 1787.

⁴⁸ There are in the Lansdowne manuscripts several memorials sent to the British ministry at the time when the negotiation of the treaty of Paris was in progress.

⁴⁹ Todd and McGill to Askin, December 20, 1786 in Burton manuscript collection, 1: 217.

to China,⁵⁰ and shifts and changes of European politics rarely failed to affect the London fur market to a greater or less degree.⁵¹ The traders in the Indian country as well as those at the upper posts must know approximately how the different varieties of furs were selling in order to be able to regulate the prices of their goods and in order to know what kinds of peltry it would be to their advantage to buy. The margin of profit which might ordinarily be expected was not so great but that rash speculation in furs, without regard to the state of the market, was very likely to result in actual loss. Hence the correspondence of those engaged in the business is filled with inquiries concerning the price of furs.⁵² The firms at Montreal and London were no less eager to furnish such information than the merchants of the interior were to receive it. Thus James McGill wrote to John Askin in 1786, "I cannot yet say anything certain to you about the price of Furrs, but I am persuaded deer skins have sold badly & I fear Bear & otter have had a tumble. I advise you strongly to change all your late fall & winter deer Skins for Raccoons & Picheux [lynx] but Foxes are really worth no more than 4 sh. york."⁵³ Occasionally rather pointed criticisms were made of the variety and quality of peltry consigned to Montreal for sale. Todd and McGill wrote to Askin again in the same year as follows: "Part of the Packs A B being come to hand we cannot help taking notice to you of this [sic] apparently inferior quality, they appear all to be long hair Skins, which are of all the others the worst; insomuch that a Battoe load of them is not worth the expense of sending for them to St. Dusky were they to be got on the Beach. now that you have got into a Company at Detroit, if you do not adopt some measure to prevent the Traders from taking such trash, ruin must insue infallibly. we

⁵⁰ "Importation of Skins from Canada 1788 and sold in January, February and March 1789," Canadian archives, series Q, 43-2: 826.

⁵¹ Robertson to Askin, January 31, 1793, Burton manuscript collection, 2: 88; same to same, April 10, 1793, *ibid.*, 121; same to same, April 23, 1793, *ibid.*, 133; Richardson to Porteous, February 15, 1790, Canadian archives, series M, 852.

⁵² See, for example, Burnett to Patterson, April 3, 1788 in Henry H. Hurlbut, *Chicago antiquities: comprising original items and relations, letters, extracts, and notes, pertaining to early Chicago* (Chicago, 1881), 56; Burnett to Todd, McGill and company, August 30, 1790, *ibid.*, 58.

⁵³ McGill to Askin, April 12, 1786 in Wisconsin historical society, *Collections*, 19: 262.

request of you also to advise that the Chuck Skins tho mostly in good Season, are exceedingly unfit for the London Market, owing to the manner in which they were stretched and altho' Mr. Vigoe may be of opinion that the Skins are not the less good, we can assure you that their value is much inferior at that Market by which we must all be regulated." ⁵⁴

The character of the fur trade rendered it desirable — indeed, almost necessary, that there should be a considerable degree of coöperation among those who were engaged therein. The small trader was handicapped by the fact that his limited capital and resources compelled him to lead a sort of hand-to-mouth existence in the conduct of his affairs, while he was obliged to depend upon another merchant, his agent, to transact a large share of his business. During the last quarter of the eighteenth century there was a very marked tendency toward centralization in the fur trade, and it was during this period that the great companies which dominated the northwest trade in the early part of the nineteenth century had their origin. The types of business organization which were developed varied from the simple agreement between individual traders or firms, to the rich and powerful North-west company.

There were certain very definite advantages to be derived from an agreement, or partnership, whereby one concern might conduct its business, both at Montreal and in the Indian country; for under such a system, the profits of the agent or middleman were eliminated and there was an additional guarantee that the business would be carried on in the interests of those concerned. A partnership of this sort was the one entered into between Richard Dobie and James Grant in 1787, an agreement which is particularly worthy of notice inasmuch as it serves as a simple illustration of the character of the organization of the North-west company.⁵⁵ The two merchants concerned entered into an agreement for carrying on the Indian trade at Temiscamisque and its dependencies for a period of seven years. It was stipulated that for the first three years, Dobie was to hold two third shares, and Grant, one third share in all the outfits and returns

⁵⁴ Todd and McGill to Askin, July 16, 1786 in Wisconsin historical society, *Collections*, 19: 265.

⁵⁵ Articles of agreement between Richard Dobie and James Grant, merchants of Montreal, in notarial records, archives of Montreal, Beek, 1787, no. 254.

of the trade; after the first three years, the partners were to share alike. Dobie agreed to furnish all the articles used in the trade upon certain terms stipulated in the contract, and to transact all business at Montreal, without charging any commission, while Grant on his part agreed to winter at such places as he might judge most advantageous, and trade with the stock entrusted to him to the best of his ability. Dobie was to receive two thirds of the profits during the first three years, after which both parties were to share alike, debts and losses being apportioned in the same manner as profits. The returns in furs were to be sold in Canada or shipped to England by Dobie, whichever he might consider the more advantageous method of disposing of them. These articles of agreement contain the germ of the idea which lay at the foundation of the larger fur companies, recognizing as they do the advantage to be derived from coöperation and the elimination of the middleman. The position of James Grant in this arrangement bears more than a superficial resemblance to that of the "wintering partner" in the North-west company.

The fur trade which was carried on from Montreal reached its highest development at the hands of the North-west company, which included some of the ablest men of all Canada. The origin of the concern may be traced back to the early days of the English occupation, though the company was not definitely organized until the winter of 1783 and 1784, when a number of traders operating in the region beyond lake Superior consolidated their interests by the formation of a sixteen-share company at Montreal, which was to last for a period of five years. No capital in the form of money was put into the enterprise but each share holder furnished a certain proportion of goods to be used in the trade. Benjamin and Joseph Frobisher were named directors of the company, their duty being to superintend the making up of the outfits each year at Montreal, while the licenses required for the transportation of goods to the upper country were issued in their name.⁵⁶ A second agreement was formed in 1787, the number of shares being increased to twenty. Simon

⁵⁶ Wisconsin historical society, *Collections*, 19: 163, note 20; Frobisher to Mabane, April 19, 1784, in *Canadian archives report*, 1888, 63; Mackenzie, *Voyages*, xlii; Masson, *Bourgeois de la compagnie du nord-ouest*, 1: 20; Returns of Indian trade licenses. Mackenzie says that Simon McTavish was likewise one of the directors.

McTavish, Joseph Frobisher, and John Gregory became directors of the company, and as a remuneration for their services, received a commission in addition to their respective shares in the profits of the concern. Certain of the share holders were entrusted with the management of the affairs of the company in the upper country, making their general headquarters and place of rendezvous at Grand Portage, near the western end of lake Superior. They were called "wintering partners," to distinguish them from the members of the concern who had their headquarters at Montreal.⁵⁷ The numerous posts of the company which were scattered throughout the vast region beyond lake Superior were in charge of hired clerks, or "bourgeois," as they were called, some of whom by reason of their industry in time rose to the rank of wintering partners. The important fact to be noted is that the company conducted its own business through all the various stages, importing such goods as were required from London, and dividing the net profits among the various partners in proportion to the shares which they held. The goods were the property of the company, however, from the time they left Montreal until they were bartered for furs at the various posts of the interior. Thus the conduct of the trade in the far northwest was systematized, and so successful was the enterprise that the competition of small individual traders in the region was completely destroyed; in time, the concern was even able to challenge the supremacy of the Hudson's bay company in its own territory. The extent to which the affairs of the company prospered is revealed by the fact that at the time of its reorganization in 1798, it had in its employ fifty clerks, seventy-one interpreters, eleven hundred and twenty *voyageurs*, and thirty-five guides.⁵⁸

Shortly after the close of the revolution, the leading merchants of Detroit and Michillimackinac also formed companies, the purpose of which was to render possible a more effectual supervision of the interior and to eliminate cut-throat competition. At the latter post, an organization was effected in the year 1785 under the rather high-sounding title of the General company of

⁵⁷ Wisconsin historical society, *Collections*, 19: 163, note 20; Masson, *Bourgeois de la compagnie du nord-ouest*, 1: 30; Mackenzie, *Voyages*, 1: xlv-xlviii.

⁵⁸ Mackenzie, *Voyages*, 1: LIII.

lake Superior and the south, and among the merchants joined in the enterprise were Gabriel Cotte, Andrew Todd, Etienne Cam-pion, Charles Chaboillez, Jean Baptiste Cadotte, and Charles Patterson. The operations of the company extended over a wide range of territory in the upper Mississippi valley, from lake Superior southward into the Illinois country and from lake Michigan to the tribes dwelling far to the west of the Mississippi in Spanish territory. The company had only a brief existence however, coming to an end in 1787.⁵⁹ It differed from the organization of the North-west company in that the merchants belonging to the general store continued to draw their supplies from Montreal as they had previously done, and the only real purpose of the enterprise was to regulate competition by controlling the quantity of goods which were sent out into the region dependent upon Michillimackinac. The Miami company, which was formed by six prominent merchants of Detroit, probably in the year 1786, had a very similar organization and was intended to accomplish the same end in the territory dependent upon that post.⁶⁰

The northwest fur trade enjoyed a much more vigorous growth under the British régime than it had while the French were still masters of Canada, due in part to the inauguration of a system of free competition instead of legal monopolies, and in no small measure also to the character and ability of the English, Scotch, and Irish merchants who flocked to Canada after the conquest; under their direction the industry was extended westward to the head waters of the Missouri river, and far into the vast Canadian wilderness lying beyond lake Superior. For vigor and enterprise, the world has probably seen very few groups of men superior to those who have been referred to so often in the preceding pages as the "merchants of Montreal." Not only did they direct their respective business enterprises in masterly fashion, but they worked together to secure the favor and coöp-

⁵⁹ Henry to Edgar, November 12, 1786 in manuscript collection in Toronto public library, entitled *North-west letters and accounts*, 77; Narrative of Jean Baptiste Per-rault, *Michigan pioneer and historical collections*, 37: 536, 537, 545; Proceedings of the court of inquiry, *ibid.*, 11: 514 *et seq.*

⁶⁰ Askin to Todd and McGill, June 22, 1786, Burton manuscript collection, 1: 181. Little can be found concerning the history of the concern. It was still in existence in 1789, however.

eration of the government of Canada, and even of the British ministry itself. As a class, they were possessed of great power and influence; they addressed memorial after memorial to the administrative heads of the government of Quebec, and it is no exaggeration to say that their influence made itself felt in the course of Anglo-American diplomacy during the years which followed the revolution. The prestige of these merchants is indicated by the fact that the legislative council of Quebec on more than one occasion asked their advice in regard to matters affecting the trade and administration of the province. The London merchants who were in the habit of supplying goods for the traffic in furs were no less interested in exercising their influence for the benefit of their Canadian correspondents; and at their meetings at the New York coffee house in London, they discussed measures in the interests of the peltry trade and did not hesitate on occasion to submit their views to his majesty's ministers. It should be added that the aims and ambitions of the merchants of Montreal and London were greatly facilitated by the fact that from the time of the acquisition of Canada until the end of the eighteenth century, the British government regarded the province chiefly from the point of view of the fur trade and did everything in its power to encourage the industry.

On the other hand, due credit must be given the French traders and *engagés* whom the British merchants found in Canada when they came and without whose aid the marvelous success of the latter in developing the fur industry would have been totally impossible. The French-Canadian trader, the descendant of the *coureur de bois*, accommodated himself readily to the new order of things; the same was true of those who performed the menial labor incidental to the conduct of the industry. The personnel of the class which supervised the business in the counting house changed, but this was not true of the men who navigated the canoes and bateaux upon the mighty lakes and rivers of the northwest; and the French-Canadian *voyageur*, with his picturesque attire and rollicking boat songs remained to add a touch of color and romance to the fur trade until the industry itself finally disappeared.

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